

HELP FROM PEOPLE TO PEOPLE, INC.

FINANCIAL STATEMENTS

AS OF

DECEMBER 31, 2020

WITH SUMMARIZED FINANCIAL INFORMATION

AS OF

DECEMBER 31, 2019

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ALAN D. FELDSTEIN, CPA
MARK A. STEWART JR., CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Help From People To People, Inc.
Nanuet, NY 10954

Opinion

We have audited the accompanying financial statements of Help From People To People, Inc. which comprise the statement of financial position as of December 31, 2020 and the related statements of activities and functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Help From People To People, Inc. as of December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Help From People To People, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Help From People To People, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

FS

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Help From People To People, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Help From People To People, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

MEMBER

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (AICPA)
NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS (NYSSCPA)
NATIONAL CONFERENCE OF CPA PRACTITIONERS (NCCPAP)

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Other Matters

The prior year summarized comparative information has been derived from the Organization's December 31, 2019 financial statements and, in our opinion dated November 13, 2020, we expressed an unqualified opinion on those financial statements.

Respectfully Submitted,

FELDSTEIN & STEWART LLP

FELDSTEIN & STEWART LLP

November 6, 2021

MEMBER

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NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS (NYSSCPA)
NATIONAL CONFERENCE OF CPA PRACTITIONERS (NCCPAP)

HELP FROM PEOPLE TO PEOPLE INC
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

STATEMENT "A"

(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2019)

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS:-		
Cash and Cash Equivalents	\$ 771,778	\$ 61,773
Grants Receivable	-	22,294
Miscellaneous Receivables	150	4,580
Inventory	73,225	132,671
Prepaid Expenses	4,767	4,474
TOTAL CURRENT ASSETS	\$ 849,920	\$ 225,792
PROPERTY AND EQUIPMENT:-		
Property and Equipment	\$ 2,031,097	\$ 2,026,147
Accumulated Depreciation	(1,030,399)	(949,093)
NET PROPERTY AND EQUIPMENT	\$ 1,000,698	\$ 1,077,054
 TOTAL ASSETS	 \$ 1,850,618	 \$ 1,302,846

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:-		
Accounts Payable	\$ 15,286	\$ 26,351
Accrued Expenses	16,204	12,860
Notes Payable	14,553	260,315
TOTAL CURRENT LIABILITIES	\$ 46,043	\$ 299,526
LONG-TERM LIABILITIES:-		
Notes Payable	\$ 353,091	\$ 217,748
TOTAL LONG-TERM LIABILITIES	\$ 353,091	\$ 217,748
TOTAL LIABILITIES	\$ 399,134	\$ 517,274
NET ASSETS:-		
Net Assets Without Donor Restrictions	\$ 1,451,484	\$ 763,278
Net Assets With Donor Restrictions	-	22,294
TOTAL NET ASSETS	\$ 1,451,484	\$ 785,572
TOTAL LIABILITIES AND NET ASSETS	\$ 1,850,618	\$ 1,302,846

HELP FROM PEOPLE TO PEOPLE INC

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2020

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2020 TOTAL	2019 TOTAL
SUPPORT				
In-Kind Contributions	\$ -	\$ 2,655,321	2,655,321	\$ 2,411,911
Cash Contributions	1,313,260	-	1,313,260	518,034
Fundraising	189,546	-	189,546	226,337
Grants	25,100	155,547	180,647	111,764
PPP Loan Forgiveness	-	90,700	90,700	-
Donated Services	-	-	-	25,000
Interest and Dividends	186	-	186	5
Net Assets Released From Restrictions	2,923,862	(2,923,862)	-	-
TOTAL SUPPORT	\$ 4,451,954	\$ (22,294)	\$ 4,429,660	\$ 3,293,051
EXPENDITURES:-				
Program	\$ 3,489,292	-	\$ 3,489,292	\$ 3,236,305
Management and General	225,900	-	225,900	189,512
Fundraising	48,556	-	48,556	122,147
TOTAL EXPENDITURES	\$ 3,763,748	\$ -	\$ 3,763,748	\$ 3,547,964
CHANGE IN NET ASSETS	\$ 688,206	\$ (22,294)	\$ 665,912	\$ (254,913)
NET ASSETS - BEGINNING OF YEAR	763,278	22,294	785,572	1,040,485
NET ASSETS - END OF YEAR	\$ 1,451,484	\$ -	\$ 1,451,484	\$ 785,572

SEE INDEPENDENT AUDITOR'S REPORT AND
NOTES TO THESE FINANCIAL STATEMENTS.

STATEMENT "C"

HELP FROM PEOPLE TO PEOPLE INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	PROGRAM SERVICES			SUPPORTING SERVICES			TOTAL
	PANTRY	PROJECT JOY	BACK TO SCHOOL WITH DIGNITY	TOTAL	MANAGEMENT AND GENERAL	FUNDRAISING	
In-Kind Distributions	\$ 2,584,340	\$ 28,510	\$ 10,246	\$ 2,623,096	\$ -	\$ -	\$ 2,623,096
Salaries and Wages	234,808	29,459	26,075	290,342	49,373	27,844	367,559
Program Supplies	193,295	22,421	11,690	227,406	-	-	227,406
Spoilage and Impairment	91,669	-	-	91,669	-	-	91,669
Depreciation & Amortization	50,411	19,513	7,317	77,241	4,065	-	81,306
Repairs and Maintenance	33,990	8,115	3,043	45,148	22,733	-	67,881
Insurance	35,255	4,588	1,716	41,559	20,747	-	62,306
Professional Fees	-	-	-	-	48,445	-	48,445
Payroll Taxes	18,954	2,379	2,085	23,418	3,962	2,194	29,574
Office Expense	3,624	-	354	3,978	19,697	1,683	25,358
Bad Debts	-	-	-	-	22,294	-	22,294
Interest	12,708	4,616	1,496	18,820	1,512	469	20,801
Utilities	10,600	4,104	1,614	16,318	854	-	17,172
Bank and Credit Card Charges	512	-	-	512	11,904	2,543	14,959
Public Relations	1,337	20	-	1,357	5,298	2,660	9,315
Special Events	-	-	-	-	-	8,968	8,968
Common Charges	5,277	2,043	766	8,086	425	-	8,511
Retirement Plan	5,025	614	625	6,264	1,237	740	8,241
Postage	3,457	-	366	3,823	4,022	-	7,845
Dues, Fees and Subscriptions	176	-	-	176	6,806	-	6,982
Telephone	3,797	1,470	551	5,818	485	-	6,303
Travel	2,817	40	105	2,962	1,848	1,455	6,265
Property Taxes	848	328	123	1,299	68	-	1,367
Donated Services	-	-	-	-	-	-	-
Filing Fees	-	-	-	-	125	-	125
TOTAL EXPENDITURES	\$ 3,292,900	\$ 128,220	\$ 68,172	\$ 3,489,292	\$ 225,900	\$ 48,556	\$ 3,763,748
							\$ 2,404,062
							374,233
							143,711
							92,206
							84,480
							49,954
							70,286
							84,038
							27,855
							14,220
							-
							26,522
							17,890
							8,010
							12,368
							56,441
							9,363
							9,846
							7,947
							6,563
							7,614
							13,765
							1,315
							25,000
							275
							\$ 3,547,964

SEE INDEPENDENT AUDITOR'S REPORT AND
NOTES TO THESE FINANCIAL STATEMENTS.

HELP FROM PEOPLE TO PEOPLE INC STATEMENT "D"
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:-		
Change in Net Assets	\$ 665,912	\$ (254,913)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:-		
Depreciation	\$ 81,306	\$ 84,480
(Increase) Decrease in Grants Receivable	22,294	88,674
(Increase) Decrease in Miscellaneous Receivable	4,430	(1,755)
(Increase) Decrease in Inventory	59,446	84,357
(Increase) Decrease in Prepaid Expenses	(293)	(2,180)
Increase (Decrease) in Accounts Payable	(11,065)	(14,024)
Increase (Decrease) in Accrued Expenses	3,344	(11,268)
Total Adjustments	<u>\$ 159,462</u>	<u>\$ 228,284</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 825,374	\$ (26,629)
CASH FLOWS FROM INVESTING ACTIVITIES:-		
Capital Expenditures	\$ (4,950)	\$ -
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ (4,950)	\$ -
CASH FLOWS FROM FINANCING ACTIVITIES:-		
Net Borrowings (Repayments)	\$ (110,419)	\$ (12,442)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	\$ (110,419)	\$ (12,442)
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	\$ 710,005	\$ (39,071)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - BEGINNING OF YEAR	<u>61,773</u>	<u>100,844</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 771,778</u>	<u>\$ 61,773</u>
SUPPLEMENTAL INFORMATION:-		
Interest Paid	\$ 22,294	\$ 26,552
Income Taxes Paid	\$ -	\$ -

SEE INDEPENDENT AUDITOR'S REPORT AND
NOTES TO THESE FINANCIAL STATEMENTS.

HELP FROM PEOPLE TO PEOPLE INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

Note #1 SIGNIFICANT ACCOUNTING POLICIES

a) Organization and Nature of Operations

Help From People To People, Inc. (the "Organization") was incorporated in the State of New York as a qualified charitable organization in September 1989.

The Organization's activities center on helping struggling people through difficult times with dignity by providing food, holiday gifts, school supplies, refurbished computers and clothing to those in need. Its mission is accomplished through their major programs as listed below:

Pantry

The Organization receives food and clothing from various donors for distribution from the Food Pantry to Rockland County residents who are living in need. Food is distributed five days a week, fifty-two weeks a year to an average of 1,545 low-income families each month. Food packages include fresh fruits and vegetables, meat and protein, dairy, bread and shelf stable items. Weekend food packages are also distributed to at-risk children who participate in free and subsidized school lunch programs so that they do not go hungry on the weekends.

Project Joy

The Organization receives gifts and clothing for distribution to low income children from donors who "adopt" families so that every child can experience the joy of the holiday season.

Back To School With Dignity

The Organization receives school supplies and clothing from various donors for distribution to at-risk children so that they can start school in September with the supplies they are required to have. For these children, whose families are already having difficulty putting food on the table, the funds for school supplies generally does not exist. Back To School With Dignity enables these children to start school on an equal footing with their peers, and sets the stage for success in the classroom.

b) Classification of Net Assets

The Organization segregates its net assets as follows:

HELP FROM PEOPLE TO PEOPLE INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

Net Assets Without Donor Restrictions

This category represents resources that are not subject to donor imposed restrictions and thus are generally available for use by the Organization. In addition, contributions that are originally restricted by the donor are reported in this category if the restrictions expire in the fiscal year in which the contributions are recognized.

Net Assets With Donor Restrictions

This category represents resources with donor-imposed time or purpose restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

c) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

d) Cash and Cash Equivalents

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk in cash and cash equivalents. The Organization defines cash and cash equivalents as any short term investment with a maturity of three months or less.

e) Promises to Give and Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Most of the Organization's contributions are received up front by donors. The Organization has determined that pledges receivable are fully collectible.

f) Inventory

The Organization's inventory consists of items donated to them that have not yet been disbursed. The Organization's inventory is valued in the same manner as the Organization values its in-kind contributions (see Note #8).

HELP FROM PEOPLE TO PEOPLE INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

g) Fixed Assets

Property and equipment is carried at cost. Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of the assets are capitalized. Depreciation is computed using straight-line methods.

h) Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

i) Subsequent Events

Subsequent Events have been evaluated through November 6, 2021, which is the date the financial statements were issued.

Note #2 PROPERTY AND EQUIPMENT

Property and Equipment consist of the following:

<u>Type</u>	<u>Method</u>	<u>Life</u>	<u>2020</u> <u>Total</u>	<u>2019</u> <u>Total</u>
Building	S/L	27.5	\$1,280,750	\$1,280,750
Improvements	S/L	18	582,730	582,730
Furniture & Fixtures	S/L	5	37,430	37,430
Machinery & Equipment	S/L	5-10	85,227	80,277
Automobiles	S/L	5	<u>44,960</u>	<u>44,960</u>
Total Property and Equipment			\$2,031,097	\$2,026,147
Accumulated Depreciation			<u>(1,030,399)</u>	<u>(949,093)</u>
Net Property and Equipment			<u>\$1,000,698</u>	<u>\$1,077,054</u>

Note #3 NOTES PAYABLE

The Organization's current debt structure is as follows:

<u>Type</u>	<u>Payable To</u>	<u>Security</u>	<u>Interest Rate</u>
Mortgage Payable	TD Bank	Building	The mortgage bears interest at a per annum rate equal to 2.50% above TD Bank's 5-year Cost of Funds, with a floor rate of 4%. The effective rate as of December 31, 2020 was 5%.

HELP FROM PEOPLE TO PEOPLE INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

Note #3 NOTES PAYABLE (continued)

The mortgage loan was originally closed on April 27, 2012 and is scheduled for a twenty-year repayment term payable in monthly installments. However, the bank has an option to call or renew, at its sole discretion, the loan on the fifth anniversary date of the closing of the loan and on the same day every fifth year thereafter. The bank exercised this option in 2017, and the next option date for the bank is on April 27th, 2022.

The mortgage also contains a prepayment penalty, if the mortgage is refinanced with another bank, defined as 5% in year one of the loan, 4% in year two, 3% in year three, 2% in year four and 1% in year five. The prepayment penalty rates reset back to this original schedule every five year anniversary of the loan.

<u>Type</u>	<u>Payable To</u>	<u>Security</u>	<u>Interest Rate</u>
Line Of Credit (maximum availability of \$250,000)	TD Bank	Building	The line of credit bears interest at a per annum rate equal to the rate published by the Wall Street Journal as the US Prime Rate, with a floor rate of 3.75%. The effective rate as of December 31, 2020 was 3.75%.

<u>Type</u>	<u>Payable To</u>	<u>Security</u>	<u>Interest Rate</u>
Economic Injury Disaster Loan	Small Business Administration	None	NFP Rate - 2.75%

ANNUAL DEBT MATURITIES

2022 -	17,115	
2023 -	19,152	
2024 -	20,046	
2025 -	20,984	
2026 -	21,966	
2027 -	<u>253,828</u>	(and all years thereafter)
	\$ 353,091	Long-Term
	<u>14,553</u>	Current
	<u>\$ 367,644</u>	Total

<u>Loan Facility</u>	<u>Balance</u>
Mortgage Payable	217,942
Line Of Credit	0
<u>Economic Injury Dister Loan</u>	<u>149,702</u>
Total	367,644

HELP FROM PEOPLE TO PEOPLE INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

Note #4 NET ASSETS WITH DONOR RESTRICTIONS

Net Assets identified as with donor restrictions which were not expended during the year of receipt have been utilized for supplies and other resources with the same general purposes as its intended use.

Note #5 GRANT PROGRAMS

The Organization receives significant funding under several grant programs. Each requires that the company maintain certain criteria in order to continue their use of the grant programs. The Organization has not had any instances of non-compliance with its various grant programs.

Note #6 FUNCTIONAL EXPENSES

As a voluntary health and welfare organization, expenses are classified by function. Program costs are allocated to each program specifically. Program costs that cannot be specifically identified are allocated as estimated by management. Supporting expenses are also specifically and at times estimated as deemed reasonable by management. They are broken up into two major categories, management and general and fundraising. These expenses are incurred to keep the Organization in operation and have no relation to the Organization's programs (see Note #1).

Note #7 RETIREMENT PLAN

The Organization has a retirement plan that was made open to all employees. Matching contributions to the plan are made by the Organization dollar for dollar up to a maximum of 3% of an employee's gross payroll. Contributions for the year-ended December 31, 2020 and 2019 amounted to \$8,241 and \$9,846 respectively.

Note #8 IN-KIND CONTRIBUTIONS

The vast majority of contributions received by the organization are in-kind. The organization records these items at estimated fair value when received. Most in-kind contributions are distributed to those in need (see Note #1) in the near term before their fair value materially changes. The Organization will value the food they receive by weighing them and records food spoilage as appropriate. Other items are valued based on current comparable sales information. The Organization uses these methods to reduce the costs of using a more exact valuation of the Organization's in-kind contributions. These methods are deemed appropriate by management because they are applied consistently and the estimated fair value is not expected to be materially different from that determined using a more detailed measurement of fair value.

HELP FROM PEOPLE TO PEOPLE INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

Note #9 DONATED SERVICES

The Organization received contributed services from third-parties. The fair market value of these services for the year-ended December 31, 2020 and 2019 amounted to \$0 and \$25,000 respectively. These amounts are included as "Donated Services" revenue and expense on the statement of activities and the statement of functional expenses respectively.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization in their charitable purposes, but these services do not meet the criteria for recognition as contributed services. The Organization estimated that it received 13,811 and 13,522 service hours for the years ended December 31, 2020 and 2019, respectively.

Note #10 UNCERTAIN TAX POSITIONS

Accounting Standards require entities to evaluate, measure, recognize and disclose any uncertain tax positions taken on their respective returns. The Organization does not believe they have taken any material uncertain tax positions and, accordingly, they have not recorded any liability. The Organization has filed for and received tax exemptions in the jurisdictions where required to do so.

The Organization has filed all required federal and state informational returns in the jurisdictions where so required. In all such jurisdictions, calendar years 2018, 2019 and 2020 are still "open" tax years for audit purposes by the respective taxing authorities as of the date of issuance of this financial statement.

Note #11 RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

<u>Type</u>	<u>Purpose</u>	2020	2019
		<u>Total</u>	<u>Total</u>
Capital Campaign (Grants Receivable)	Building Improvements	\$ 0	\$ 22,294
Total		\$ 0	\$ 22,294

Note #12 ALLOCATION OF COMMON COSTS

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. The natural expense categories of automobile, bank and credit card charges, office expenses, and travel are specifically allocated to the function to which they are identified by management to be correctly classified. All other expenses, such as facilities expenses and payroll expenses, are allocated, based upon the estimated usage or based upon square footage of the function, as well as the different functions of individual employees.

HELP FROM PEOPLE TO PEOPLE INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

Note #13 LIQUIDITY

Help From People to People, Inc.'s financial assets as of the balance sheet date for general expenditure within one year consists solely of Cash and Cash Equivalents of \$771,778 and a Miscellaneous Receivable of \$150. There are no current Net Assets With Donor Restrictions. Therefore, the financial assets as detailed are fully available.

As part of Help From People to People, Inc.'s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, Help From People to People, Inc. has available a line of credit in the amount of \$250,000, which it could draw upon.

Note #14 REVENUE RECOGNITION

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest, is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605) as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Note #15 SUBSEQUENT EVENT - BOARD RESTRICTIONS ON FUND BALANCES

In April 2021, the Organization's Board of Directors established three board restricted funds as follows:

Emergent Issues Response Fund - This fund is intended to be used where the Board determines, in its discretion, that the Organization has a unique opportunity to further the mission of the organization. This fund is constituted primarily by the bequests received by the agency in excess of \$10,000 and is not intended to be used in the ordinary course for normal operating expenses. All future bequests received by the agency in excess of \$10,000 shall, upon receipt, be placed in a fund or account so designated by a majority approval of the Board at a regular or special meeting.

HELP FROM PEOPLE TO PEOPLE INC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

Note #15 SUBSEQUENT EVENT - BOARD RESTRICTIONS ON FUND BALANCES (CONTINUED)

Drawing down any funds from the Emergent Issues & Response Fund will require approval of two-thirds of the Board at a regular or special meeting or a simple majority of the Board if two-thirds of

Operating Reserve Fund - This fund is intended to be used in the first instance when the Organization's operational expenses exceed, on a temporary basis, its revenues. It is funded by operating surpluses which are designated by the Board to be included in this fund, and the intention is that any funds temporarily drawn down from this fund be replaced as soon as possible given organization circumstances. It is intended that the target for this fund be set at 3 times current monthly expenses. (In fiscal year 2021, \$250,000). Draw-downs from this fund require the approval of the President and Treasurer, who shall report such actions at the next Board meeting.

Capital Fund - This is fund intended to be used for capital costs related to purchase of equipment or capital improvements which will improve the operation of the Organization's programs. It is funded by the EIDL loan, which is payable over a period of 30 years. It is currently funded at a level of \$150,000. It may be used with majority approval of the Board at a regular or special meeting.

SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTAL INFORMATION

To the Board of Directors
Help From People To People, Inc.
Nanuet, NY 10954

We have audited the financial statements of Help From People To People, Inc. as of and for the year ended December 31, 2020, and our report thereon dated November 6, 2021, which contained an unmodified opinion on those financial statements, appears on pages 1-3.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Proportion Of Total Expenses Used For Program, Management and General and Fundraising Expenses is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully Submitted,
FELDSTEIN & STEWART LLP
FELDSTEIN & STEWART LLP
November 6, 2021

HELP FROM PEOPLE TO PEOPLE INC SCHEDULE #1
 SCHEDULE OF PROPORTION OF EXPENSES USED FOR PROGRAM, MANAGEMENT AND GENERAL AND FUNDRAISING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2019

(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2019)

	2019	2020	2019	2020	2019
PROGRAMS	PROGRAMS	MANAGEMENT AND GENERAL	MANAGEMENT AND GENERAL	FUNDRAISING	FUNDRAISING
92.71%	91.22%	6.00%	5.34%	1.29%	3.44%

SEE INDEPENDENT AUDITOR'S REPORT AND
 NOTES TO THESE FINANCIAL STATEMENTS.